

Hearing Date: July 24, 2019

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.¹

PROMESA

Title III

Case No. 17-BK-03283 (LTS)

**JOINDER OF FINANCIAL GUARANTY INSURANCE
COMPANY TO AMBAC ASSURANCE CORPORATION'S MOTION TO COMPEL
COMPLIANCE WITH THE COURT'S DECEMBER 15, 2017 AND FEBRUARY 26, 2018
ORDERS REGARDING THE URGENT RENEWED JOINT MOTION OF THE AD
HOC GROUP OF GENERAL OBLIGATION BONDHOLDERS, AMBAC ASSURANCE
CORPORATION, ASSURED GUARANTY CORP., ASSURED GUARANTY
MUNICIPAL CORP., THE MUTUAL FUND GROUP, AND NATIONAL PUBLIC
FINANCE GUARANTEE CORPORATION FOR ORDER AUTHORIZING RULE 2004
EXAMINATION
[Dkt. # 7505]**

Financial Guaranty Insurance Company ("**FGIC**"), by and through its attorneys Rexach & Picó, CSP and Butler Snow LLP, files this joinder (this "**Joinder**") in support of *Ambac Assurance Corporation's Motion to Compel Compliance with the Court's December 15, 2017 and February 26, 2018 Orders Regarding the Urgent Renewed Joint Motion of the Ad Hoc Group of General Obligation Bondholders, Ambac Assurance Corporation, Assured Guaranty*

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Corp., Assured Guaranty Municipal Corp., the Mutual Fund Group, and National Public Finance Guarantee Corporation for Order Authorizing Rule 2004 Examination [Dkt. # 7505] (the “**Motion**”).² In support of this Joinder, FGIC respectfully states as follows:

1. FGIC provides financial guaranty insurance covering in excess of \$1.17 billion in principal amount of bonds outstanding and issued by the Commonwealth of Puerto Rico (the “**Commonwealth**”) and various Commonwealth instrumentalities. With respect to the Commonwealth Title III case, FGIC insures approximately \$282 million of outstanding general obligation bonds issued by the Commonwealth and bonds guaranteed by the Commonwealth (e.g. Public Building Authority bonds). In addition, FGIC insures bonds issued by the Puerto Rico Highways and Transportation Authority, the Puerto Rico Convention Center District Authority, and the Puerto Rico Infrastructure Financing Authority. Under relevant provisions of the applicable bond documents, bond insurance policies, and applicable law, payment by FGIC neither satisfies nor discharges an issuer’s obligation to pay and, to the extent FGIC makes such payments, it obtains assignments of rights from the bondholders, becomes owner of the bonds, and/or becomes subrogated to the rights of bondholders and effectively steps into the shoes of such bondholders.

2. On December 5, 2017, FGIC filed its joinder (Dkt. # 1906) to the *Urgent Renewed Joint Motion of the Ad Hoc Group of General Obligation Bondholders, Ambac Assurance Corporation, Assured Guaranty Corp., Assured Guaranty Municipal Corp., the Mutual Fund Group, and National Public Finance Guarantee Corporation for Order Authorizing Rule 2004 Examination* [Dkt. # 1870] (the “**Joint Rule 2004 Motion**”).

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms as in the Motion.

3. As referenced in the Motion, this Court entered two orders concerning the Joint Rule 2004 Motion (Dkt. ## 2033 and 2590) (the “*Orders*”). In each of the Orders, this Court directed that joining parties, including FGIC, receive any production made to the original movants (*see Order* [Dkt. # 2033], para. 5 (“Any production to Movants pursuant to this order shall also be made to the parties who have joined the Joint Motion.”); *see also Order* [Dkt. # 2590], IV. Conclusion (“Any discovery made available pursuant to this Order shall also be made available to the Joinder Parties to the Renewed Motion.”)).

4. Accordingly, FGIC respectfully requests that the Court grant the Motion and require the Respondents and other third parties to provide FGIC with any information produced pursuant to the Orders and/or pursuant to any order granting the Motion and to participate in any related examinations or other proceedings.

Dated: June 26, 2019

Respectfully submitted,

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